

### **Collection Operations Pay Off**

Our surge in collection operations on counterterrorism in general and al-Qa‘ida in particular paid off.

- Our human intelligence reporting on all counterterrorism topics increased steadily from 1998 through the first nine months of 2001.
- Human intelligence reporting specifically on Bin Laden and al-Qa‘ida increased by 50 percent over the same period.
- The number of human sources we had operating against the terrorism target grew by more than 50 percent between 1999 and September 11.
- Working across agencies, and in some cases with foreign services, we designed and built several collection systems for specific use against al-Qa‘ida inside Afghanistan.
- By September 11, 2001, a map would show that these collection programs and human networks nearly covered Afghanistan. This array meant that when the military campaign to topple the Taliban and destroy al-Qa‘ida began in October 2001, we were able to support it with an enormous body of information and a large stable of assets.

The realm of human source collection frequently is divided between liaison reporting that we get from cooperative foreign intelligence services, and unilateral reporting that we get from agents we run ourselves. Even before The Plan, our vision for human intelligence on terrorism was simple: we had to get more of both types. The figures for both rose every year after 1998, and by 2000 the volume of reporting on terrorism from unilateral assets exceeded that from liaison sources.

- The integration of technical and human sources has been key to our understanding of, and actions against, international terrorism. It was this combination—this integration—that allowed us years ago to confirm the existence of numerous al-Qa‘ida facilities and training camps in Afghanistan.
- On a virtually daily basis, analysts and collection officers from NSA, the National Geospatial-Intelligence Agency (formerly NIMA), and CIA came together to interactively use satellite imagery, communications information, and human source reporting.
- This integration helped provide the baseline data for the US Central Command’s target planning against al-Qa‘ida facilities and infrastructure throughout Afghanistan.

## CIA's Response Was Strong and Persistent

As time progressed, Bin Ladin became an increasingly harder target in his Afghan sanctuary. In response, additional authorities were added in appreciation of both new operational opportunities and the increasing policy determination for Bin Ladin to be rendered to law enforcement.

By 1998, the key elements of the CIA's strategy against Bin Ladin included:

- Working with foreign countries to break up cells and carry out arrests.
- Disrupting and weakening his businesses and finances.
- Listening to his communications.
- Detaining and disrupting his operatives.
- Pursuing a multi-track approach to bring him to justice, including working with liaison services, developing a close relationship with US federal prosecutors, and enhancing our unilateral capability to capture him.

CIA's policy and objectives statement for the FY 1998 budget submission prepared in early 1997 evidenced a strong determination to go on the offensive against terrorists. The submission outlined our Counterterrorist Center's offensive operations and noted the goal to "render the masterminds, disrupt terrorist infrastructure, infiltrate terrorist groups, and work with foreign partners."

The FY 2000 budget submission prepared in early 1999 described Bin Ladin as "the most significant individual sponsor of Sunni Islamic extremist and terrorist activity in the world today."

- It noted the Agency's use of a wide range of offensive operational techniques against the targets. These included the creation of dedicated counterterrorist units in key countries, joint operations with liaison partners to apprehend wanted terrorists, recruitment of well-placed agents, and penetrations of terrorist support groups.

Commenting on the Bin Ladin-dedicated Issue Station in the Counterterrorist Center, the FY 2000 submission noted that, "This Station, staffed with CIA, FBI, DOD, and NSA officers, has succeeded in identifying assets and members of Bin Ladin's organization, and nearly 700 intelligence reports have been disseminated about his operations."

It is important to note that the political context of this period presented an operational environment with significant impediments that CIA constantly fought to overcome.

- The US Government had no Embassy or other official presence in Afghanistan. The US did not recognize the Taliban regime, making it difficult to get access to Bin Ladin and al-Qa'ida personnel.

- US policy stopped short of replacing the Taliban regime or providing direct support to others for the specific purpose of overthrowing the Taliban. These realities limited our ability to exert pressure on Bin Ladin's hosts.
- During this period, the Taliban gradually gained control over most of Afghanistan, reducing the opposition's capabilities and room to maneuver.
- Pakistan's nuclear tests of 1998 and the military coup in 1999 strained relations with Pakistan, the principal access point to Afghanistan.

It also is important to note that this Afghanistan-focused strategy was played out against the necessity for aggressive and complex efforts to disrupt planned Bin Ladin-sponsored terrorist operations on a worldwide basis. Responding to the Millennium threat, the attack on the USS Cole, and the rash of indications of planned terrorist actions during Ramadan 2000 and the months leading to September 11 worked to shift the focus of operational effort away from internal Afghanistan operations.

### **The Intelligence Community Role**

Up to this point, I have focused primarily on CIA's role in developing our understanding of the al-Qa'ida threat and devising and implementing a robust and well-focused program and strategy to counter it. A critical aspect of the overall counterterrorism effort is the broader Intelligence Community role.

- Taking the fight to Bin Ladin and the al-Qa'ida organization was not just a matter of mobilizing the Counterterrorist Center at CIA. This was, and still is, an interagency—and international—effort.
- The Counterterrorist Center at CIA was created in 1986 to take the offensive to the terrorists. Its defined mission is to "preempt, prevent, and disrupt terrorist activities and plans." The Center enables the fusion of all sources of information in a single, action-oriented unit. Not only does it fuse source reporting on international terrorism from US and foreign collectors, but it also integrates counterterrorism operational and analytical activity. The Center is also the CIA's single point of contact on counterterrorism issues for US policymakers. The Center's fused, integrated activities give us the speed that we must have to seize fleeting opportunities in the shadowy world of terrorism.
- The Center has racked up many successes, including the rendition of many dozens of terrorists prior to September 11, 2001.
- No matter how much is integrated within the Center and no matter how large we build it, there are still valuable counterterrorist players outside it, making

the sharing of knowledge essential. We have counterterrorist partners, for example, throughout CIA, especially in the field, and with NSA, the National Geospatial-Intelligence Agency, FBI, and the Special Forces, to name a few.

It is also clear that when errors occur—when we miss information or opportunities—it is often because our sharing and fusion are not as strong as they need to be. Communications across bureaucracies, missions, and cultures is among our more persistent challenges in the fast-paced, high-pressure environment of counterterrorism. The opposite is also true. Progress in raising the level of cooperation among the Community agencies over the years has been key to warning policymakers and stopping and disrupting attacks against US interests overseas.

The Counterterrorist Center has aggressively pursued inter-agency representation, both in line management and at the working level, since its establishment. Over the years, this emphasis has fostered both improved communications as well as begun to break down the often-cited cultural institutional barriers to creative and effective support and joint operations. By 2001, the Center had over 30 representatives from more than a dozen agencies involved in the fight against terrorism.

One of the more critical alliances in the war against terrorism is that between CIA and FBI.

- An FBI officer has been serving as a deputy to the chief of the Counterterrorist Center since the mid-1990s. The FBI reciprocated by making a CIA operations officer deputy to the Bureau's Counter-Terrorist Division.
- Prior to September 11, six FBI officers were detailed to the Center as a whole, a number that has now grown to some 20 officers.
- Two CIA operations officers served at FBI headquarters prior to September 11 2001. The Counterterrorist Center now has 10 officers detailed to the FBI. Since the 9/11 attacks, the FBI has increased the number of Joint Terrorism Task Forces (JTTFs) in the US to 56. The CIA has connectivity with and provides intelligence support to all 56, and has assigned 90 officers either full- or part-time to 23 of them. CIA also had assigned officers to work with FBI to assist them in establishing their own foreign intelligence reporting and analysis capabilities.
- From the mid 1990s on, the Center has had on average 10 to 12 NSA officers on detail. NSA—in addition to hosting working level CIA officers—had until recently a senior CIA Directorate of Operations officer serving as one of the deputies to the NSA Operations Directorate. A CIA Directorate of Intelligence officer serves as deputy to NSA's Office of Analysis and Production.

- As the Counterterrorist Center ramped up its efforts against Bin Ladin and al-Qa‘ida, the relationships and institutional structures that developed over the years among Community agencies paid enormous dividends.

### **Working With Foreign Liaison**

The Agency’s strategy of drawing foreign governments into the fight against terrorism also has continued to pay strong dividends. Through the Counterterrorist Center we have financed training and information-sharing arrangements that have encouraged the cooperation of scores of nations in regions both breeding and afflicted by terrorism. This has facilitated many renditions and other successful disruptions.

Working closely with foreign liaison partners has been an indispensable part of CIA’s counterterrorism strategy before and after September 11. A disruption of a terrorist plot abroad would often be impossible without the cooperation of at least one liaison service and the sharing of threat reporting.

- The involvement of at least three liaison partners was required to disrupt the plots in 1998 to blow up the US Embassy in Albania and in the summer of 2001 to attack the US Embassy in Yemen and destroy the US Embassy in a European capital.

To be sure, there have been ups and downs in our relationship with liaison partners.

- Some liaison services were unwilling to provide the sourcing information that we use to evaluate a source’s reliability and access. This limited CIA’s ability to use their threat reporting.
- This reluctance to share becomes acute when concerns exist that information based on reporting from extremely sensitive sources might be leaked to the press.

Although liaison services are an essential part of an aggressive posture against terrorism, their ability to share is sometimes hindered by their countries’ own legal protections and open societies. These limitations include restrictions on rendering terrorists to countries that permit capital punishment. Terrorists have learned how to operate in open societies such as ours and those of our close partners.

### **Countering al-Qa‘ida’s Global Presence**

Even while targeting Bin Ladin and al-Qa‘ida in their Afghan lair, we did not ignore its cells of terror spread across the globe. Especially in periods of peak threat

reporting, we accelerated our work to shake up and destroy al-Qa'ida cells wherever we could find them.

- This took resources—operations officers, desk officers, analysts, and translators—throughout the Intelligence Community and law enforcement agencies.
- We also mobilized intelligence services around the globe.

During the Millennium threat period, the CIA overseas and the FBI in the US organized an aggressive, integrated campaign to disrupt al-Qa'ida. The campaign used human assets, technical operations, and the hand-off of foreign intelligence to facilitate obtaining court warrants under the Foreign Intelligence Surveillance Act.

Over a period of months, there were close daily consultations that included the Director of the FBI, the National Security Advisor, and the Attorney General. We identified 36 additional terrorist agents at the time around the world. We pursued operations against them in 50 countries. Our disruption activities succeeded against 21 of these individuals, and included arrests, renditions, detentions, and surveillance.

- We assisted the Jordanian government in dealing with terrorist cells that planned to attack religious sites and tourist hotels. We helped track down the organizers of these attacks and helped render them to justice.
- We mounted disruption and arrest operations against terrorists in eight countries on four continents, which also netted information that allowed us to track down even more suspected terrorists.
- During this same period, unrelated to Millennium threats, we conducted multiple operations in East Asia, leading to the arrest or detention of 45 members of the Hizballah network.
- In the months after the Millennium experience—in October 2000—we lost a serious battle, when USS Cole was bombed and 17 brave American sailors perished.

The efforts of American intelligence to strike back at a deadly enemy continued through the Ramadan period in the autumn of 2000, another period of peak threat reporting.

- Terrorist cells planning attacks against US and foreign military and civilian targets in the Persian Gulf region were broken up. This resulted in the capture of hundreds of pounds of explosives and other weapons, including anti-aircraft missiles. These operations also netted proof that some Islamic charitable organizations had been either hijacked or created to provide support to terrorists operating in other countries.

- We succeeded in bringing a major Bin Ladin terrorist facilitator to justice with the cooperation of two foreign governments. This individual had provided documents and shelter to terrorists traveling through the Arabian Peninsula.
- We worked with numerous European governments, such as the Italians, Germans, French, and British to identify and break up terrorist groups and their plans against US and local interests in Europe.

### **Runup to September 11—Our Operations**

The third period of peak threat was in the spring and summer 2001. As with the Millennium and Ramadan 2000, we increased the tempo of our operations against al-Qa‘ida. We stopped some attacks and caused the terrorists to postpone others.

- We helped to break up another terrorist cell in Jordan and seized a large quantity of weapons, including rockets and high explosives.
- Working with another foreign partner, we broke up a plan to attack US facilities in Yemen.
- In June, CIA worked with a Middle Eastern partner to arrest two Bin Ladin operatives planning attacks on US facilities in Saudi Arabia.
- In June and July, CIA launched a wide-ranging disruption effort against Bin Ladin’s organization, with targets in almost two-dozen countries. Our intent was to drive up Bin Ladin’s security concerns and lead his organization to delay or cancel its attacks. We subsequently received reporting that attacks were delayed, including an attack against the US military in Europe.
- In July, a different Middle East partner helped bring about the detention of a terrorist who had been directed to begin an operation to attack the US Embassy or cultural center in a European capital.
- In addition, in the summer of 2001, local authorities, acting on our information, arrested an operative described as Bin Ladin’s man in East Asia.
- We assisted another foreign partner in the rendition of a senior Bin Ladin associate. Information he provided included plans to kidnap Americans in three countries and to carry out hijackings.
- We provided intelligence to a Latin American service on a band of terrorists considering hijackings and bombings. An FBI team detected explosives residue in their hotel rooms.

## Budget and Resources

We spend an enormous amount of time trying to get the money and the people the CIA needs for the war on terrorism. The Congressional Joint Inquiry investigation singled out budgetary resources specifically.

The record shows that despite the well-documented resource reductions we took in the 1990s and the enormous competing demands for our attention, I and a series of DCIs before me saw to it that the resources committed to the counterterrorism effort were not only protected but also enhanced. The last decade saw a number of conflicting and competing trends: military forces deployed to more locations than ever in our nation's history; a growing counterproliferation and counternarcotics threat; constant tensions in the Middle East, and, to deal with these and a host of other issues, far fewer intelligence dollars and manpower.

The cost of the post-Cold War "peace dividend" was that during the 1990s our intelligence community funding declined in real terms, reducing our buying power by tens of billions of dollars over the decade. We lost nearly one in four of our positions. This loss of manpower was devastating, particularly in our two most manpower intensive activities: all-source analysis and human source collection. By the mid-1990s, recruitment of new CIA analysts and case officers had come to a virtual halt. NSA was hiring no new technologists during the greatest information technology change in our lifetimes. Both Congress and the Executive Branch for most of the decade embraced the idea that we could surge our resources to deal with emerging intelligence challenges, including threats from terrorism.

During this time of increased military operations around the globe, the Defense Department was also reducing its tactical intelligence units and funding. This caused the Intelligence Community to stretch its capabilities to the breaking point, because national systems were covering gaps in tactical intelligence. It is always our policy to give top priority to supporting military operations.

While we grappled with a multitude of high priority, overlapping crises, we had no choice but to modernize selective intelligence systems and infrastructure in which we had deferred necessary investments and downsized, or we would have found ourselves out of business.

Throughout the Intelligence Community during this period we made difficult resource reallocation decisions to try to rebuild critical mission areas affected by the funding cuts. With the al-Qa'ida threat growing more ominous and with our resources devoted to countering it clearly inadequate, however, we began taking money and people away from other critical areas to improve our efforts against terrorism.

Despite the resource reductions and the enormous competing demands for our attention, we managed to triple Intelligence-wide funding for counterterrorism from fiscal year 1990 to 1999. The Counterterrorist Center's resources nearly quadrupled in that

same period. We had significantly reallocated both dollars and people inside our programs to work the terrorism problem.

From a budget perspective, the last part of the 1990s reflects CIA's efforts to shift to a wartime footing against terrorism. CIA's budget had declined 18 percent in real terms during the decade and we suffered a loss of 16 percent of our personnel (this is slightly less of a cut than the 1 in 4 cited for the Intelligence Community as a whole earlier). Yet in the midst of that stark resource picture, CIA's funding level for counterterrorism just prior to 9/11 was more than 50 percent above our FY 1997 level. CIA consistently reallocated and sought additional resources for this fight. In 1994, the budget request for counterterrorism activities equaled less than four percent of the total CIA program. In the FY 2002 CIA budget request we submitted prior to 9/11, counterterrorism activities constituted almost 10 percent of the budget request. During a period of budget stringency when we were faced with rebuilding essential intelligence capabilities, we had to make some tough choices. Although resources for virtually everything else in CIA were going down, counterterrorism resources were going up.

After the US embassies in Africa were bombed, we knew that neither surging our resources nor internal realignments were sufficient to fund a war on terrorism. Consequently, in the fall of 1998, I asked the Administration to increase intelligence funding by more than \$2.0 billion annually for fiscal years 2000-2005 and I made similar requests for FY 2001-2006 and FY 2002-2007. Only small portions of these requests were approved. Counterterrorism funding and manpower needs were number one on every list I provided to Congress and the Administration and, indeed, it was at the top of the funding list approved by Speaker Gingrich in FY1999, the first year in which we received a significant infusion of new money for US intelligence capabilities during the decade of the 90s.

That supplemental, and those that followed it, were essential to our efforts. They helped save American lives and we are grateful. We knew, however, that we could not count on supplemental funds to build multi-year programs and that is why we worked so hard to reallocate our resources and to seek five year funding increases.

I want to make a couple of comments about manpower. In CIA alone, I count the equivalent of 700 officers working counterterrorism in August 2001 at both headquarters and in the field. That number does not include the people who were working to penetrate either technically or through human sources a multitude of threat targets from which we could derive intelligence on terrorists. Nor does it include friendly liaison services and coalition partners. You simply cannot gauge the level of effort by counting only the people who had the words "al-Qa'ida" or "Bin Ladin" in their position description.

We reallocated all the people we could given the demands placed on us for intelligence on a number of the highest priority issues such as chemical, nuclear and biological proliferation, and support to operational military forces. We surged thousands of people to fight this fight when the threat was highest. When we realized surging was not sufficient, we began a sustained drumbeat both within the Administration and the

Congress that we had to have more people and money devoted to this fight. Nonetheless, it will take many more years to recover the capabilities we lost during the resource decline of the 1990s.

### **The DCI's Role**

Up to now I have been talking about the terrorist threat and the actions of organizations to combat it. I would like to turn briefly to a more personal topic—the role the American people have entrusted to me in this important endeavor.

The DCI is prosecuting this war every day. I was doing that before the September 11 attacks and I am doing it now. Going back to the Millennium threat period, there is a meeting almost every day at CIA about what we are doing operationally; what the relationships are among all the players.

The need for the DCI to lead and communicate on these issues is never going to change. The meeting in my conference room at five o'clock five days a week could be the most important meeting that occurs in Washington on terrorism, because operational and analytic decisions are made on the spot about global terrorism, al-Qa'ida, Afghanistan, the terrorist threat from chemical, biological, and radiological weapons, and the financial war on terrorism. Representatives from all the major agencies are there.

Obviously, terrorism is an issue on which the DCI chooses to spend an enormous amount of personal time. I spend it at the strategic level, the tactical level, and understanding our operations and analysis. There is not a more dangerous threat to the country than this. I am personally involved with our liaison partners, often making direct phone calls for operational discussions. In the Millennium period alone I personally talked with 20 of our liaison partners to alert them to our findings about targets and the need to go after them. Every visit I take overseas has a counterterrorism or al-Qa'ida component to it.

That was the reality of my job before September 11 and it is the reality now. I continue to devote the greatest proportion of my time to the war on terror, just as I did before 9/11. Operations are more complex now, and counterterrorism is intensely operational. There is a constant flow of new data, new threat reporting, new people, and new relationships.

There are new and bigger actors on the scene, because there is a very different set of relationships with the military than existed before 9/11. I have a close working relationship with the Central Command and with the Special Operations Command that is different today and very intense. CIA is engaged in direct support to our military in counterterrorism operations in Iraq and Afghanistan and in other theatres of operation on a scale not seen since Vietnam.

There is a difference in the pace and scope of my relationship with the FBI, now that we have created a common threat matrix and common data points that we review and discuss each day. We have more joint investigations and CIA support to their investigations.

From a technical perspective we are collecting a lot more data because we have a lot more people in the fight than we ever had before. We are managing a collection process that integrates the National Security Agency and a new and very important Information Operations Center. We can integrate them with a Foreign Intelligence Surveillance Act process in a way that was never done before.

- Specifically, the Patriot Act authorized intelligence officials engaged in the collection of foreign intelligence under the FISA to consult with law enforcement personnel in order to coordinate efforts to investigate or protect against threats to national security.
- Additionally, law enforcement personnel are required by the Patriot Act to share with the DCI foreign intelligence obtained during criminal investigations.
- Finally, the Patriot Act gave me the authority to establish requirements and priorities for the collection of foreign intelligence information pursuant to the FISA, an authority that I have exercised.

We have a very robust analytical effort that is substantially bigger than before. Additional supplemental funding provided by the Congress has provided an enormous amount of impetus. From a management perspective, we have a much bigger cadre of people working the problem than we ever had before. We also learned that we could not fight this war effectively without a trusting, professional, dedicated set of liaison partners to help with collection and operations.

Whoever sits in this job is going to be right in the middle of countering terror for their entire time in office. It does not matter who it is. Yes, we have broken down a lot of stovepipes. But, there are still things you work on all the time. The big management moral of the story is that you have got to be here doing it hands-on in a continuous way.

### **The Status of the War on Terrorism**

One month ago, on February 24, I presented to the Congress and the American people my annual worldwide threat assessment. I began that testimony with a stark bottom line on terrorism, and I will repeat it here today for you.

First, though, I should tell you what we know so far about the recent tragic bombings in Madrid, Spain. While the investigation is far from complete, available information strongly implicates Spain-based Islamic extremists linked to al-Qa'ida as

being responsible. Spanish authorities have detained nearly a dozen suspects, many with ties to former Spain al-Qa'ida cell leader Barakat Yarkas, but we have no information indicating whether the central al-Qa'ida leadership ordered or approved the attack.

- The explosives used were inexpensive and likely obtained locally and the key suspects appear to have some explosives expertise. This suggests that they could have launched the attack without financial or operational help from al-Qa'ida or other terrorist groups.
- Europe-based al-Qa'ida associates traditionally have received little or no oversight or funding from al-Qa'ida leaders, judging from a variety of reporting since 11 September 2001. We suspect that there may be over 100 al-Qa'ida trained extremists in Europe.
- We have no information suggesting the Basque Fatherland and Liberty (ETA) terrorist group was involved in the attack, but we continue to explore the possibility.

Returning to the threat assessment, the al-Qa'ida leadership structure we charted after September 11 is seriously damaged, but the group remains as committed as ever to attacking the US homeland. As we continue the battle against al-Qa'ida, we must overcome a global movement infected by al-Qa'ida's radical agenda. In this battle we are moving forward in our knowledge of the enemy's plans, capabilities, and intentions. What we have learned continues to validate my deepest concern—that this enemy remains intent on obtaining, and using, catastrophic weapons.

Now let me tell you about the war we have waged against the al-Qa'ida organization and its leadership. Military and intelligence operations by the United States and its allies overseas have degraded the group. Local al-Qa'ida cells are forced to make their own decisions because of disarray in the central leadership.

Al-Qa'ida depended on leaders who not only direct terrorist attacks but also who carry out the day-to-day tasks that support operations. Over the past 18 months, we have killed or captured key al-Qa'ida leaders in every significant operational area—logistics, planning, finance, and training. We have eroded the key pillars of the organization, such as the leadership in Pakistani urban areas and operational cells in the al-Qa'ida heartland of Saudi Arabia and Yemen.

The list of al-Qa'ida leaders and associates who will never again threaten the American people includes:

- Khalid Shaykh Muhammad, al-Qa'ida's operations chief and the mastermind of the September 11 attacks.
- Nashiri, the senior operational planner for the Arabian Gulf area.

- Abu Zubayda, a senior logistics officer and plotter.
- Hasan Ghul, a senior facilitator who was sent to case Iraq for an expanded al-Qa‘ida presence there.
- Harithi and al-Makki, the most senior plotters in Yemen, who were involved in the bombing of the USS Cole.
- Hambali, the senior operational planner in Southeast Asia.

We are creating large and growing gaps in the al-Qa‘ida hierarchy.

Unquestionably, bringing these key operators to ground disrupted plots that would otherwise have killed Americans. Al-Qa‘ida’s finances are also being squeezed. This is due in part to takedowns of key moneymen in the past year, particularly the Gulf, Southwest Asia, and even Iraq.

Meanwhile, al-Qa‘ida central continues to lose operational safehavens, and Bin Ladin has gone deep underground. We are hunting him in one of the unfriendliest regions on earth. We follow every lead.

We are receiving a broad array of help from our coalition partners, who have been central to our effort against al-Qa‘ida.

- Since the May 12, 2003 bombings, the Saudi government has shown an important commitment to fighting al-Qa‘ida in the Kingdom, and Saudi officers have paid with their lives.
- Elsewhere in the Arab world, we are receiving valuable cooperation from Jordan, Morocco, Egypt, Algeria, the UAE, Oman, and many others.
- President Musharraf of Pakistan remains a courageous and indispensable ally who has become the target of assassins for the help he has given us.
- Partners in Southeast Asia have been instrumental in the roundup of key regional associates of al-Qa‘ida.
- Our European partners worked closely together to unravel and disrupt a continent-wide network of terrorists planning chemical, biological, and conventional attacks in Europe.

We have made notable strides. Do not misunderstand me—I am not suggesting al-Qa‘ida is defeated. It is not. We are still at war. Al-Qa‘ida is a learning organization that is committed to attacking the United States, its friends, and allies. Successive blows to al-Qa‘ida’s central leadership have transformed the organization into a loose collection of regional networks that operate more autonomously. These regional components have demonstrated their operational prowess in the past year.

- The sites of their attacks span the entire reach of al-Qa‘ida—Morocco, Kenya, Turkey, Jordan, Saudi Arabia, Kuwait, Afghanistan, Pakistan, and Indonesia, for example.
- Al-Qa‘ida seeks to influence the regional networks with operational training, consultations, and money.

You should not take the fact that these attacks occurred abroad to mean the threat to the US homeland has waned. As al-Qa‘ida and associated groups undertook these attacks overseas, detainees consistently talk about the importance the group still attaches to striking the main enemy: the United States. Across the operational spectrum—air, maritime, special weapons—we have time and again uncovered plots that are chilling.

- On aircraft plots alone, we have uncovered new plans to recruit pilots and to evade security measures in Southeast Asia, the Middle East, and Europe.
- Even catastrophic attacks on the scale of September 11 remain within al-Qa‘ida’s reach. Make no mistake—wherever these plots are hatched, they target US soil or that of our allies.

### **Al-Qa‘ida Is Not the Only Challenge**

So far, I have been talking only about al-Qa‘ida, but al-Qa‘ida is not the limit of terrorist threat worldwide. Al-Qa‘ida has infected others with its ideology, which depicts the United States as Islam’s greatest foe.

The steady growth of Usama bin Ladin’s anti-US sentiment through the wider Sunni extremist movement and the broad dissemination of al-Qa‘ida’s destructive expertise ensure that a serious threat will remain for the foreseeable future—with or without al-Qa‘ida in the picture.

A decade ago, bin Ladin had a vision of rousing Islamic terrorists worldwide to attack the United States. He created al-Qa‘ida to indoctrinate a worldwide movement in global jihad, with America as the enemy—an enemy to be attacked with every means at hand.

In the minds of Bin Ladin and his cohorts, September 11 was the shining moment, their “shot heard ‘round the world,” and they want to capitalize on it.

Even as al-Qa‘ida reels from our blows, other extremist groups within the movement it influenced have become the next wave of the terrorist threat. Dozens of such groups exist. Let me offer a few thoughts on how to understand this challenge.

- One of the most immediate threats is from smaller international Sunni extremist groups who have benefited from al-Qa‘ida links. They include groups as diverse as the al-Zarqawi network, the Ansar al-Islam in Iraq, the Libyan Islamic Fighting Group, Jemaah Islamiyah in Southeast Asia, and the Islamic Movement of Uzbekistan.
- A second level of threat comes from small local groups, with limited domestic agendas, that work with international terrorist groups in their own countries. These include the Salifiya Jihadi, a Moroccan network that carried out the May 2003 Casablanca bombings, and similar groups throughout Africa and Asia.

These far-flung groups increasingly set the agenda, and are redefining the threat we face. They are not all creatures of Bin Laden, and so their fate is not tied to his. They have autonomous leadership, they pick their own targets, and they plan their own attacks.

Beyond these groups are the so-called “foreign jihadists.” These individuals are ready to fight anywhere they believe Muslim lands are under attack by what they see as “infidel invaders.” They draw on broad support networks, have wide appeal, and enjoy a growing sense of support from Muslims who are not necessarily supporters of terrorism. The foreign jihadists see Iraq as a golden opportunity.

Let me repeat: for the growing number of jihadists interested in attacking the United States, a spectacular attack on the US Homeland is the brass ring that many strive for, with or without encouragement by al-Qa‘ida’s central leadership.

To detect and ultimately defeat these forces, we will continually need to watch hotspots, present or potential battlegrounds, and places where these terrorist networks converge. Iraq is of course one major locus of concern. Southeast Asia is another. So are the backyards of our closest allies. Even Western Europe is an area where terrorists recruit, train, and target.

- To get the global job done, foreign governments will need to improve bilateral and multilateral, and even inter-service cooperation. They also will have to strengthen domestic counterterrorist legislation and security practices.

Al-Qa‘ida’s interest in chemical, biological, radiological, and nuclear weapons is strong. Acquiring these is a religious obligation in Bin Laden’s eyes. Al-Qa‘ida and more than two dozen other terrorist groups are pursuing these materials. Over the last year, we have also seen an increase in the threat of more sophisticated weaponry. For this reason we take very seriously the threat of a chemical, biological, or radiological attack.

- We particularly see a heightened risk of poison attacks. Contemplated delivery methods to date have been simple but this may change as non-al-Qa‘ida groups share information on more sophisticated methods and tactics.

- Extremists have widely disseminated assembly instructions for an improvised chemical weapon using common materials that could cause a large numbers of casualties in a crowded, enclosed area.
- Although gaps in our understanding remain, we see al-Qa‘ida’s program to produce anthrax as one of the most immediate terrorist mass casualty threats we are likely to face.
- Al-Qa‘ida continues to pursue its strategic goal of obtaining a nuclear capability. It remains interested in dirty bombs. Terrorist documents contain accurate views of how such weapons would be used.

Other terrorist organizations also threaten US interests. Palestinian terrorist groups in Israel, the West Bank, and Gaza remain a formidable threat and continue to use terrorism to undermine prospects for peace.

- Last year Palestinian terrorist groups conducted more than 600 attacks, killing about 200 Israelis and foreigners, including Americans.
- Lebanese Hizballah cooperates with these groups and appears to be increasing its support. It is also working with Iran and surrogate groups in Iraq and would likely react to an attack against it, Syria, or Iran with attacks against US and Israeli targets worldwide.
- Iran and Syria continue to support terrorist groups, and their links into Iraq have become problematic to our efforts there.

Finally, cyber vulnerabilities are another of our concerns, with terrorists, foreign governments, hackers, crime groups, and industrial spies all attempting to obtain information from our computer networks.

## The War Ahead

Since September 11, we have been essentially responsive threat by threat. I expect to continue to discover terrorists’ plans, to warn of threats, to analyze the terrorists’ capabilities. Our challenge—mine, the government’s, and the American people’s—is to turn the warnings into actions that can save lives.

The first step in that process is to manage our risk more effectively. We need to fine-tune our defensive response so that we are reducing the risk from the threat we have identified. One size does not fit all.

We need to become more agile in our response. For example, we can adopt sector-by-sector approaches, as we did during this last holiday season. We learned of threats to specific flights and we took countermeasures without disrupting large portions

of the airline industry. At times we may need quieter approaches to avoid alerting the people we are trying to stop. At other times we may need a nationwide alert—a brute force response so that terrorists see what we are doing and retreat. That can buy us the time we need to disrupt their operation.

We have learned a lot since September 11 from supporting our military forces in Afghanistan, Iraq, and elsewhere. We are going to have to use that experience to support governors, mayors, chiefs of police, and the like if we are going to reduce our risk of terrorist attack. We need to share critical information quickly and seamlessly. We need systems to put our intelligence at the disposal of those who need it wherever they may be and whatever their specific responsibilities are for protecting us from attack.

We will become more able to manage risk as the Department of Homeland Security and the Terrorist Threat Integration Center (TTIC) evolve. More importantly, we will become more effective and more agile when we have tapped the talent of people on the line at the federal, state, and local levels of government. Officials on the visa line in embassies abroad, immigration posts throughout the US, and key officials in state and local governments can help provide the information we need to defend ourselves. In particular, we need to ensure that police officers have the information they need to spot and stop terrorists before they strike. The burden is on us in the Intelligence Community to protect intelligence as we distribute it. The cop on the beat does not need a Top Secret Codeword clearance.

The Terrorist Threat Integration Center, established May 1, 2003, exemplifies a new way that the Federal Government is doing business to advance our analytic capabilities in the fight against terrorism. For the first time we have unfettered access to intelligence databases and other terrorist threat-related information spanning the intelligence, law enforcement, homeland security, diplomatic, and military communities. The Center has connectivity with 14 separate US Government networks, enabling information sharing as never before. This unprecedented access to information is enabling us to provide a comprehensive, all-source-based picture of terrorist threats to US interests at home and abroad.

TTIC's goal is to ensure that threat information gets to all who play a role in protecting the American people from terrorism. TTIC's partnership with the Department of Homeland Security and the Federal Bureau of Investigation, for instance, helps to ensure that information and analysis are passed expeditiously to state and local officials and to law enforcement personnel.

- Rapid sharing of threat information is critical. Some call state and local officials and law enforcement entities our “first responders,” but if the information reaches them in time, they are really our “first and last defenders.”

The Center and other inter-agency efforts have made tangible progress toward better information sharing. To that end, the Center hosts a joint program office to

facilitate information sharing. This joint office is focused currently on key impediments to the free flow of terrorism-related information.

- TTIC sponsors a classified website that has more than 3 million terrorism-related documents from the intelligence, law enforcement, homeland security, and military communities.
- Our use of an information handling restriction known as “ORCON,” or “Originator Control,” has dropped almost in half since the latter part of 2001. This change allows more rapid sharing of sensitive information within the US Government. We are determined to reduce the use of this control much more, and any such controls will be used only to the extent that they are consistent with the President’s priority on preventing, preempting, and disrupting terrorist threats.
- The use of “tear line” reporting so that terrorism-related information can be disseminated to a much broader audience in a timely manner without revealing sensitive sources or methods has increased by 70 percent since late 2001.

TTIC is also responsible for integrating and maintaining a repository of international terrorist identities information in support of a streamlined system for watchlisting and terrorist screening activities. To date, the Center has approximately 100,000 international terrorist identities catalogued. TTIC works hand in glove with the FBI-administered Terrorist Screening Center, which ensures that front line law enforcement officers, consular officials, and immigration and border personnel have the capability to rapidly screen individuals known or suspected to be terrorists and to respond before they enter the US.

The integration of perspectives from the many agencies and departments that reside in the Center is a force multiplier in the fight against terrorism.

- On a strategic level, the Center has developed reporting mechanisms by which the President and key Cabinet officials are briefed daily on the key threats as well as actions underway. This provides a common foundation of information for decision-making regarding actions to disrupt terrorist plans.
- On a tactical level, the analysis performed collectively among partner agencies and departments that reside in TTIC allows us to be more agile. We can, for example, use it to shape the mitigation measures and security procedures that protect US citizens, property, and interests at home and abroad.

All this will be neither easy nor cheap. We will need sophisticated distribution systems. We will need substantial training and retraining, then more training. We cannot

place this burden on state and local officials. Large, sustained budget infusions will be required separate from our other resource needs.

An adversary is out there who has a strategic targeting doctrine. We know what the doctrine is. We have to stop thinking about this from a tactical perspective of depending on discovering the day, time, and place of the next attack. It is the wrong intellectual premise to think about it that way. Rather, we as a nation have to start thinking about how we take what we know about al-Qa‘ida’s doctrine and apply it, in terms of real actions to protect ourselves and to close gaps in our security that will make it harder for the terrorists to succeed.

I must emphasize to the American people that we are going to live with this for the foreseeable future. It is not going away. We need to focus on our heartland and our homeland because people want to come hurt us. It is not going to change.

- The terrorists have a tactical advantage. They can pick and choose any of countless targets as they please and attack them with misguided “martyrs” who do not care how many innocent people they kill or injure.
- Ironically, the success we have had wrapping up al-Qa‘ida leaders and disrupting its communications and finances increases the odds that local cells, driven by their extremist hatred and cut off from senior planners, may take independent actions to kill Americans at any time.
- We have learned an important lesson that we cannot race from threat to threat, disrupt it, and then move on. Targets at risk remain at risk. We have gone on high alert several times for good reason, only to have no attack occur. I wish I could say these were false alarms, but they were not.
- Total success against such threats is impossible. Some attackers will get through to us despite our determined efforts and despite any conceivable defenses we mount.
- We must design systems that reduce both the chances of an attacker getting through and the impact if he or she does. We must address both the threat and our vulnerability and not allow ourselves to mentally move on while the enemy is still at large and intent on murder.

There are no easy fixes. We in the Intelligence Community will continue to look incisively at how we carry out our missions and will listen intently to suggestions about how we can do our jobs better; but we must also be honest with ourselves and with the American public about the world in which we live.

The National Commission can help, too. We look forward to your recommendations and guidance to not only the CIA but to all the entities that are engaged in this important fight. The Joint Inquiry of the Senate and House Intelligence

Committees in its Report last year made 19 recommendations to improve the nation's ability to combat terrorism. The Intelligence Community has taken action on all of them that are within our control. Among these are:

- The President signed National Security Presidential Directive 26 to create a dynamic process for articulating and reviewing intelligence priorities. DCI Directive 2/3 established a National Intelligence Priorities Framework as a mechanism to translate the national foreign intelligence objectives and priorities approved by the National Security Council into specific guidance and resource allocations for the Intelligence Community.
- In February 2003 the President issued the National Strategy for Combating Terrorism, incorporating strategic planning elements of national security, homeland security, combating weapons of mass destruction, securing cyberspace, and protecting critical infrastructure.
- The position of National Intelligence Officer for Transnational Threats has been established and an officer and deputy are in place.
- The Terrorist Threat Integration Center was established in May 2003 to enable the full integration of terrorist threat-related information and analysis. The Center is a joint venture composed of officers from five major partners (CIA, FBI, Department of Homeland Security, Department of Defense, Department of State), as well as from organizations such as the Nuclear Regulatory Commission, Department of Energy, and Capitol Police. The Center reports directly to the DCI in his or her statutory capacity as head of the Intelligence Community.
- The FBI is making considerable progress strengthening and improving its domestic capability in such fields as counterintelligence, counterterrorism, and analysis and reports. The Bureau has developed a strategic plan outlining its top counterterrorism priorities, increased hiring and training and reassigned agents to high-priority programs, and expanded the number of Joint Terrorism Task Forces to all 56 Field Offices and to 28 Resident Agencies.
- An interagency FISA Panel has been established to prioritize foreign intelligence collection pursuant to the Foreign Intelligence Surveillance Act when resources are not sufficient to permit timely processing of FISA requests.
- A plan to resolve SIGINT technical challenges, provide quarterly reviews of products and funding, and integrate collection and analytic capabilities of NSA, CIA, and FBI has been submitted to the House and Senate Intelligence Committees.

- Measures to enhance recruitment and development of a Counterterrorist workforce are underway. These include signing the Strategic Direction for Intelligence Community Language Activities directive to provide objectives for investment decisions in language training; launching a five-year, \$15 million investment in new computer-delivered proficiency tests used by the Intelligence Community; and making watchlist training mandatory for all Counterterrorist Center line officers.
- A DCI Directive was issued to address intelligence information security in the context of providing expanded access to intelligence information outside the Intelligence Community.
- The Information Sharing Working Group was established under the authority of the Deputy Director of Central Intelligence for Community Management and the Intelligence Community Deputies Committee to develop a comprehensive strategy for sharing information among intelligence and law enforcement agencies engaged in counterterrorism.
- Homeland Security Presidential Directive 6 established the Terrorist Screening Center to integrate all terrorist-related watchlist systems.
- Finally, the CIA and the FBI, as well as other Intelligence Community agencies, continue collection and analysis programs to try to determine the extent to which foreign governments are providing support to or are engaged in terrorist activity targeting the US.